
TOO GOOD TO BE TRUE....

A Column on Consumer Issues

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SPAM SCAMS

We are all familiar with junk mail – but what about junk e-mail? Unfortunately, e-mail boxes are filling up with junk mail too. The Federal Trade Commission (FTC) found that more often than not, bulk e-mail offers appeared to be fraudulent, and could have ripped-off unsuspecting consumers to the tune of billions of dollars.

The FTC has identified the 12 scams that are most likely to arrive in your e-mail box. This week we will review the first 6 “SPAM SCAMS.”

1. **Business opportunities.** These business opportunities make it sound easy to start a business that will bring lots of income without much work or cash outlay.
 - The scam: Many of these are illegal pyramid schemes masquerading as legitimate opportunities to earn money.
2. **Bulk e-mail.** Bulk e-mail solicitations offer to sell you lists of e-mail addresses, by the millions, to which you can send your own bulk solicitations.
 - The problem: Sending bulk e-mail violates the terms of service of most Internet service providers. If you use one of the automated e-mail programs, your ISP may shut you down. Few legitimate businesses, if any, engage in bulk e-mail marketing for fear of offending potential customers.
3. **Chain letters.** You're asked to send a small amount of money (\$5 to \$20) to each of four or five names on a list, replace one of the names on the list with your own, and then forward the revised message via bulk e-mail. The letter may claim that the scheme is legal, that it's been reviewed or approved by the government; or it may refer to sections of U.S. law that legitimize the scheme. Don't believe it.
 - The scam: Chain letters - traditional or e-mail - are almost always **illegal**, and nearly all of the people who participate in them **lose their money**.
4. **Work-at-home schemes.** Envelope-stuffing solicitations promise steady income for minimal labor - for example, you'll earn \$2 each time you fold a brochure and seal it in an envelope. Craft assembly work schemes often require an investment of hundreds of dollars in equipment or supplies, and

many hours of your time producing goods for a company that has promised to buy them.

- The scam: You'll pay a small fee to get started in the envelope-stuffing business. Then, you'll learn that the e-mail sender never had real employment to offer. Instead, you'll get instructions on how to send the same envelope-stuffing ad in your own bulk e-mailings. If you earn any money, it will be from others who fall for the scheme you're perpetuating. And after spending the money and putting in the time on the craft assembly work, you are likely to find promoters who refuse to pay you, claiming that your work isn't up to their "quality standards."
5. **Health and diet scams.** Pills that let you lose weight without exercising or changing your diet, herbal formulas that liquefy your fat cells so that they are absorbed by your body, and cures for impotence and hair loss are among the scams flooding e-mail boxes.
- The scam: **These gimmicks don't work.** The fact is that successful weight loss requires a reduction in calories and an increase in physical activity. Beware of case histories from "cured" consumers claiming amazing results; testimonials from "famous" medical experts you've never heard of; and ads that use phrases like "scientific breakthrough," "miraculous cure," "exclusive product," "secret formula," and "ancient ingredient."
6. **Effortless income.** The trendiest get-rich-quick schemes offer unlimited profits exchanging money on world currency markets; newsletters describing a variety of easy-money opportunities; the perfect sales letter; and the secret to making \$4,000 in one day.
- The scam: If these systems worked, wouldn't everyone be using them? The thought of easy money may be appealing, but success generally requires hard work.

Next week we will review the remaining 6 most common "spam scams," and then continue our focus on *"Information Security: Putting the Pieces Together"* by providing tips to help protect your e-mail address and reduce junk e-mail.

The Attorney General's Consumer Protection Division investigates allegations of fraud in the marketplace. Investigators also mediate individual complaints against businesses. If you have a consumer problem or question, call the Consumer Protection Division at 328-3404, toll-free at 1-800-472-2600, or 1-800-366-6888 (w/TTY). This article and other consumer information is located on our website at www.ag.state.nd.us.

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